
HOUSE BILL No. 1068

DIGEST OF INTRODUCED BILL

Citations Affected: IC 23-17-30.

Synopsis: Donations by nonprofit corporations. Prohibits a nonprofit corporation that donates or grants money to an individual or an entity from imposing a condition or restriction on the donation or grant if the condition or restriction infringes upon a right or legal status provided by the United States Constitution or the Indiana Constitution. Allows the secretary of state to administratively dissolve a nonprofit corporation that imposes such a condition or restriction on a donation or a grant.

Effective: July 1, 2002.

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January 8, 2002, read first time and referred to Committee on Rules and Legislative Procedures.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1068

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 23-17-30-5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]: **Sec. 5. (a) A corporation incorporated under this article**
4 **that donates or grants money to an individual or an entity may not**
5 **impose a condition or restriction on the donation or grant if the**
6 **condition or restriction infringes upon a right or legal status**
7 **provided by the Constitution of the United States or the**
8 **Constitution of the State of Indiana.**

9 **(b) The secretary of state shall commence a proceeding under**
10 **section 6 of this chapter to administratively dissolve a corporation**
11 **that violates this section.**

12 SECTION 2. IC 23-17-30-6 IS ADDED TO THE INDIANA CODE
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2002]: **Sec. 6. (a) If the secretary of state determines that a**
15 **ground exists under section 5 of this chapter for dissolving a**
16 **corporation, the secretary of state shall serve the corporation with**
17 **written notice of the determination under IC 23-17-6-4.**



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1 **(b) If the corporation does not:**

2 **(1) correct each ground for dissolution; or**

3 **(2) demonstrate to the reasonable satisfaction of the secretary**
4 **of state that each ground determined by the secretary of state**
5 **does not exist;**

6 **not later than sixty (60) days after service of the notice is perfected**
7 **under IC 23-17-6-4, the secretary of state may administratively**
8 **dissolve the corporation by signing a certificate of dissolution that**
9 **recites the grounds for dissolution and the effective date of the**
10 **dissolution. The secretary of state shall file the original of the**
11 **certificate and serve a copy on the corporation under IC 23-17-6-4.**

12 **(c) A corporation administratively dissolved continues the**
13 **corporation's corporate existence but may not carry on any**
14 **activities except those necessary to wind up and liquidate the**
15 **corporation's affairs under IC 23-17-22-5 and notify the**
16 **corporation's claimants under IC 23-17-22-6 and IC 23-17-22-7.**

17 **(d) The administrative dissolution of a corporation does not**
18 **terminate the authority of the corporation's registered agent.**

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